

STATE SENATOR • MARTHA G. SCOTT

Scott Press Release



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SCOTT URGES PUBLIC TO ATTEND MEETING ON CREDIT SCORING

Four Hearings Scheduled in Southeastern Michigan

(LANSING) – State Sen. Martha G. Scott (D-Highland Park) encourages all citizens to participate in a public hearing on insurance credit scoring scheduled for Monday, July 26, at 1 p.m., at Cadillac Place, Room L50. Sponsored by Insurance Commissioner Linda Watters and the Michigan Department of Labor and Economic Growth, this hearing is one of four to be held across the state to address exorbitant insurance rates.

In April, Governor Jennifer Granholm proposed a new state rule that would ban the use of credit scoring in setting rates for auto and homeowners insurance. Public input, to be gathered at these hearings, is required before the rule can take effect on January 1, 2005.

Michigan's auto insurance rates are the highest in the country, research shows. Homeowners insurance has increasingly become cost prohibitive. Insurance experts and some government leaders attribute the skyrocketing prices to insurance providers' use of credit scoring in determining premium costs.

"Time and time again studies have shown that credit reports are unreliable and are not good barometers of a person's insurability," Sen. Scott said. "I believe insurance companies use this method to cherry pick the more financially attractive customers and punish low income consumers."

For information on all four hearings, visit <http://www.senate.mi.gov/demcaucus>.

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Senator Scott represents the 2nd Senate District, which includes areas of Detroit and the cities of Hamtramck, Harper Woods, Highland Park and all of the Grosse Pointes. She serves on the Senate Appropriations Committee.